S. F. W. S. Market News Leaflet
#63
#63

UNITED STATES DEPARTMENT OF THE INTERIOR
STEWART L. UDALL, SECRETARY
Fish and Wildlife Service, Clarence F. Pautzke, Commissioner
Bureau of Commercial Fisheries, Donald L. McKernan, Director

Market News Leaflet 63

Washington 25, D.C. November 1963

ANNUAL REPORT ON EGYPTIAN FISHERIES, 1962 1/

Contents

LIBRARY
DEC 23 1963
FISH & WILDLIFE SERVICE

	Page
SUMMARY	2
Commercial Catch and Commercial Fishing	4
Production of Processed Fishery Products	7
Foreign Trade and Consumption of Fishery Products	14
Vessels and Gear	15
Employment in Fishing Industry	18
Importance of Fishing Industry to Economy	18
Technical Developments: Research and Resources	20
Marketing Developments: Cooperatives	25
Government Activities, Controls and Policies	26
International Fishing Agreements	29
CONCLUSIONS	31
APPENDICES	31

Issued by Branch of Market News, Division of Resource Development, Bureau of Commercial Fisheries, U.S. Fish and Wildlife Service.
1/ Information prepared by: Edward H. Springer and Victor Massad, American Consulate, Alexandria, Egypt, October 25, 1963.

SUMMARY :

I. UAR fisheries registered gains in 1962 over 1961 and established some all-time records. UAR fishermen landed an estimated 118,000 to 140,000 metric tons of fish in 1962, an increase of from 8,000 to 30,000 tons over the estimated 1961 catch of 110,000 tons. The 1962 catch was valued at up to LE 16,800,000, an increase of up to LE 5,800,000 over the 1961 figure of LE 11,000,000. UAR estimated frozen shrimp production reached an all-time high of 1466 metric tons, valued at an estimated LE 870,599 in 1962 and is doing even better in 1963. Estimated 1961 production was 955 metric tons valued at LE 454,488. Sales of frozen shrimp to the United States are falling off, while sales to European and Japanese markets are mounting. Export and domestic shrimp prices rose about 10% in 1963 over 1962, with Japan paying the highest prices for top quality UAR shrimp. With market possibilities seemingly unlimited, UAR frozen shrimp processing capacity is being increased. A new fish meal and shark liver oil plant was opened at Ghardaka on the Red Sea this year.

II. UAR fish exports totaled 2,085 metric tons in 1962 valued at LE 762,451, an increase of 172 tons or 8% over 1961, when the UAR exported 1,913 metric tons valued at LE 563,560. Imports, on the other hand, totaled 1,409 metric tons in 1962, valued at LE 88,211, a precipitate 539% drop in tonnage from 1961, when imports totaled 7,599 metric tons valued at LE 918,972. Imports this year are running behind 1962, while exports may exceed 1962. UAR domestic consumption of fish in 1962 ran between 117,000 and 139,000 metric tons or about 5.2 kilograms of fish per capita of the UAR population of 27,000,000.

III. The UAR fishing fleet is now estimated at 12,685 vessels of which only 663 are motorized and 12,022 sailing boats. New ships are being built here or purchased abroad and diesel motors are being installed in large numbers of the existing sailing fleet.

IV. It is estimated there are 70,581 licensed fishermen, including 14,000 boy apprentices, in the UAR and up to 230,000 employed in allied industries, for a total of 300,000, representing 5% of the total UAR labor force of 6,051,000. It is further estimated that the 300,000 employed in the industry support up to 1,500,000 people of 5% of the total population.

V. The fishing industry is an important source of needed protein food for about 20% of the UAR population but the total industry product is well under 1% of the gross national product.

VI. Although most U.A.R. fish marketing is still in the hands of private fish brokers and handlers, the trend is toward cooperative marketing under the impetus of the Ministry of Supply in accordance with stated national policy. Fish is presently marketed cooperatively in Port Said and Suez and mainly through traditional channels in all other U.A.R. ports.

VII. Fisheries research is being actively pursued under the Ministry ofScientific Research, which is negotiating in West Germany for purchase of a new 300 ton, LE 250,000 research vessel to be used for exploratory and experimental fishing in U.A.R. waters. Progress has been reported from the Ministry's fish farms, breeding stations and lake research laboratories in the last year and Nile river research is in full swing between Aswan and the Sudanese frontier to determine the types of fish and conditions for fish life that may be found in the new Lake Nasr that will form behind the Aswan High Dam by 1968.

VIII. The General Organization for Aquatic Resources, Ministry of Supply, continues as the government's principal instrument for promotion and exploitation of U.A.R. sea, lake and inland water fisheries and is operating this fiscal year (1963-1964) on a budget of LE 3,800,000 compared to a budget of LE 1,848,170 in 1962-1963. New fishing ports are planned in Alexandria and Damietta and improvements are now being made at Mersa Matruh. Fishing harbors are planned for the Red Sea ports of El Arish, Ghardaka (Hurghada), Safaga, Ras Banas, Berenice and Quseir. The Inland Lakes policy dispute --whether to dry up the inland lakes for use as reclaimed farm land or continue utilizing them as inland fisheries -- remains unsettled.

IX. Active international fishing agreements are in force between the U.A.R. and Greece and Holland and new agreements are being negotiated with Japan and Russia. Old agreements with Italy, Yugoslavia and Poland are currently dormant. Fishing collaboration with Somalia, Yemen, Kuwait and the Sudan is also planned, but no firm arrangements have yet been concluded.

X. U.A.R. fishing industry requirements remain the same as those reported in 1961.

A. COMMERCIAL CATCH AND COMMERCIAL FISHING

1. The 1962 Catch: Statistics on the UAR fish catch for 1962 are, as usual, only estimates. For the benefit of end users the two most likely official estimates, which are not too disparate, are provided.

a. The General Organization for Aquatic Resources[1], estimates the 1962 catch at 140,000 metric tons. The Oceanographic and Fisheries Research Center, Alexandria[2], estimates the catch at 118,000 metric tons. The 1962 catch represents an all-time high record and represents an increase of 8,000 to 30,000 metric tons over the estimated 1961 catch of 110,000 metric tons.

The respective breakdowns of the catch follow :

(1) General Organization for Aquatic Resources :

Marine catch	:	35,000 metric tons or 25% of the catch
Nile river, inland waters catch	:	20,000 metric tons or 15% of the catch
Lake catch	:	85,000 metric tons or 60% of the catch
TOTAL	:	140,000 metric tons for year 1962

(2) Oceanographic and Fisheries Research Center, Alexandria :

Marine Catch	:	59,000 metric tons or 50% of the catch
Nile River, Inland Waters	:	11,800 metric tons or 10% of the catch
Lake Catch	:	47,200 metric tons or 40% of the catch
TOTAL	:	118,000 metric tons for year 1962

The estimate of the Oceanographic and Fisheries Research Center (formerly known as the Hydrobiological Institute) represented an increase of 8,000 metric tons or 7% over the total catch of 110,000 metric tons reported by the same institute for the year 1961.

The Research Center now has a new statistical section, reportedly employing improved statistical methods, and it is hoped that more detailed reporting on the annual catch will become available in coming years.

---

1 General Hassan RAGAB is President
2 Mr. Ahmed Rifat is Director General

b. Although few details can be obtained on the total weight for each species caught in 1962, the following catch statistics are offered by both of these official sources :

Sardines : 10,000 metric tons;

Shrimp : 6,000-7,000 metric tons;

Sponge : 23 metric tons ; and

Eels : 25 metric tons

The Red Sea reportedly provided 300 tons of fish in 1962 and it is expected that up to 600 tons will be landed there this year as fishing increases in this hitherto lightly exploited fish treasurehouse.

The Director General of the Oceanographic and Fisheries Research Center predicts that the 1963 catch is going to be better from the Mediterranean and Red Seas than in 1962, but that at the present rate of catch, the lakes may yield a little less than last year. Mr. Rifat stresses that due to the many landing spots for lake fish catches, it is much more difficult to control statistical reporting on this catch.

2. Value of Catch : It is estimated that each metric ton of fish landed is worth an average of LE 120. The UAR catch for 1962 is therefore valued at from LE 14,160,000 to LE 16,800,000 depending on which estimate of the total catch is employed. The estimated value of the 1961 catch was LE 11,000,000.

3. Utilization of catch : The bulk of the UAR catch is sold fresh. However, more than 3,000 tons of shrimps were utilized by the freezing plants for the preparation of frozen shrimp for export; 25 tons of eels and 23 tons of sponge were exported; and the bulk of the sardine catch of 10,000 metric tons was consumed fresh, although an estimated 300 tons were used for canning at Damietta and some were smoked, dried and salted. Some Red Sea shark is being processed into oil and meal this year while some Red Sea rock lobsters are being sold both for export and domestic consumption.

4. Commercial Fishing :

a. This year's three-month sardine fishing season opened with a grand ceremony at Port Said on September 15 with more than 600 ships participating, and will continue until December as usual.

b. The shrimp fishing season is expected to begin this month and continue until next June. Last year the season did not begin until late November and early December, much to the discomfiture of the shrimp freezing plants that were short of raw material for their operations last fall.

c. The six month sponge fishing season began in May and will continue until the end of this month. This year only eight Greek ships are engaged in this fishing from Mersa Matruh to the Libyan frontier, as opposed to 14 in 1962 under terms of the UAR-Greek contract which calls for a decrease in the number of Greek ships and fishermen engaged and an increase in the number of Egyptian boats and fishermen engaged each year. In 1964, General Ragab says, only four Greek boats will be invited to participate. Eventually the Egyptians plan to take over the entire enterprise alone.

See Section J. International Agreements.

e. Conger eel fishing will begin on Lakes Edko, Borollos and Manzala in mid-October and continue until February. Four Dutch experts arrived on October 3 and will supervise this year's fishing.

The eels, caught in traps in the channels leading from the three Delta lakes to the Mediterranean, are stored alive in special Dutch ships, and taken to France and Holland where they are subsequently smoked and sold throughout the winter in northern Europe. At present the European price for conger eels is reportedly L 300 sterling per metric ton. In 1962 the UAR caught only 25 tons of conger eels. This year's target is a catch of 50 tons. The ultimate target is reportedly 500 tons a year.

f. Red Sea Fishing Experiment :

From September 26 to October 5, six trawlers from Suez fished in the Red Sea in the general vicinity of Ras Banas and Berenice not far from the Sudanese frontier to determine the potentialities of the area for commercial fishing. The trawlers landed 20 tons of large sardines and five tons of other fish in their first trial run and 15 tons of various kinds of fish and 17 tons of sardines on their second trial.

The General Organization for Aquatic Resources loaned the owners of each trawler LE 1200 to finance purchase of the necessary provisions for the trip and each fisherman was guaranteed LE 15 per month and an equal share of 27½% of the total catch. When the first catch was brought to Suez, five refrigerated trucks stood by to transport the fish to Cairo. About three tons of sardines were withheld for drying and will be sold to the Ministry of Supply for LE 100 per ton.

On one of the trial runs Minister of Supply, Kamal Ramzi STINO, accompanied by Dr. Mahmoud el Hadi el MAGHRABY, Undersecretary of the Ministry of Supply, and Mr. Adel el MISTIKAWI, a director of the General Organization for Aquatic Resources, accompanied the fishermen to watch the operations. They noted, in comments published after the trial, that if 20 trawlers could engage in Red Sea fishing in the area under consideration up to 100 tons of edible fish could be landed per day, or enough to meet Cairo's present daily fish consumption. They estimated, further, that first quality Red Sea fish would retail for 18 piasters per kilogram, while sardines would retail for from four to eight piasters per kilogram, depending on their size.

On the debit side these same officials observed that the Berenice-Ras Banas area is presently inaccessible by air and very far by road from populated areas, that maps of and radio communications with the area are inadequate and that temperatures are very high.

B. PRODUCTION OF PROCESSED FISHERY PRODUCTS

See also Section C. Foreign Trade.

As reported previously, fish processing in the U.A.R. includes (1) freezing shrimp and other fish; (2) canning sardines and shrimp; and (3) drying, salting and smoking fish, crustaceans and mollusks.

1. Frozen Shrimp Production, 1962-1963:

The U.A.R. shrimp processing and freezing industry produced about 1466 metric tons, valued at an estimated LE 870,599 in calendar year 1962. Production in 1961 totaled only 955 metric tons valued at LE 454,488.

The U.A.R. exported a total of 1,633 metric tons of frozen shrimp valued at LE 693,226 in calendar year 1962. (See C. Foreign Trade). During the six month period January 1, 1963 to June 31, 1963, the industry produced about 1075 metric tons, valued at an estimated LE 740,570.

The U.A.R. will export more than 1633 metric tons of frozen shrimp in calendar year 1963 if the record rate of production and exports of the first three quarters of the year continues through the last quarter, trade circles report.

(a) Production: U.A.R. shrimp freezing companies reported that they had produced the following in 1962 and the first six months of 1963:

Production: January 1 - December 31, 1962

	Metric Tons	Value in LE
1) Defrex, Port Said #1	248	LE 193,460
2) Gelex, Port Said	208	LE 116,139
3) General Warehouses, Alexandria	500	LE 325,000
4) Edfina, Alexandria	245	LE 116,000
5) Amalgamated Freezing and Ice Stores, Alexandria	265	LE 120,000
Totals	1466 metric tons	LE 870,599

#1 Estimate only as Defrex official figures are for period July 1 - June 30 each year.

Production: January 1 - June 31, 1963

	Metric Tons	Value in LE
#1		
1) Defrex, Port Said	220	LE 167,200
2) Gelex, Port Said	199	LE 100,570
3) General Warehouses, Alexandria	300	LE 195,000
4) Edfina, Alexandria	260	LE 130,000
5) Amalgamated Freezing and Ice Stores, Alexandria	196	LE 98,000
#2		
6) Alexandria Fishing and Freezing Company	100	LE 50,000
Totals	1075 metric tons	LE 740,570

(b) Production estimates for Calendar Year, 1963: The Amalgamated Freezing and Ice Stores company predicts that it will exceed its calendar year 1962 total of 265 tons valued at LE 120,000 this year.

Edfina predicts that it will produce up to 400 metric tons, valued at LE 200,000 tons this year.

Alexandria Fishing and Freezing Company, now merged with Edfina, should produce another 50 tons in the balance of the year valued at LE 25,000, bringing its total for the year to 150 tons valued at LE 75,000.

General Warehouses predicts that its production will about equal last year's record production of 500 tons valued at LE 325,000, providing the shrimp supply this fall is adequate.

(c) Production Losses: Frozen shrimp producers point out that there are varying losses of raw shrimp from processing. In boiling shrimp, for example, the producer loses about 10 to 20% of the original raw supply. Deveining and peeling losses run from 28 to 30% and losses from cutting off heads, deveining and peeling run to 55%.

2. Frozen fish production

Although no figures were available from any Alexandria producers on this production, which is not yet highly developed in the U.A.R., the Port Said firm of Defrex produced and exported LE 400 worth of frozen fish in the period January-June, 1962, and LE 12,000 worth of frozen fish in the period July 1, 1962 to June 30, 1963.

1,2 Estimates only

3. Developments Among U.A.R. Shrimp Freezing Companies 1962-1963:

a. The Alexandria Fishing and Freezing Company, about which this Consulate General has reported for the last two years, finally went into production this year under the management of Mr. Robert MANSOUR, former manager of the Casacruz Company, now Amalgamated Freezing and Ice Stores Company, and produced at least 100 tons of frozen shrimp before it was nationalized and merged with the Edfina Company in mid-August and temporarily closed. The new merged company is called "Edfina Company for Preserved Foods", and will reopen as the shrimp supply begins coming in later this fall.

b. The Edfina Company, which produces canned foods as well as frozen shrimp, is now in the process of tripling its production area and of increasing its cold storage capacity for shrimp to 30 metric tons. The building additions should be ready within two months and the equipment installed and operating within six months.

Mr. Omar TARRAF, Edfina President, said he hopes to specialize the production of boiled and frozen shrimp for European export in the Alexandria Fish and Freezing Company plant in Gabbary while he continues with all types of freezing operations at the main Edfina plant at Ras el Soda.

Edfina produces at a rate of about 8 tons of frozen shrimp per day and the Alexandria Fishing and Freezing Company at a rate of around 3 tons per day, bringing the new merged company's potential production to around 11 tons a day. This figure can be increased, particularly in the latter plant, by the addition of staff and equipment.

The Edfina company is attached to the General Organization for Foodstuffs Industries, Ministry of Industry.

c. The Amalgamated Ice Stores and Freezing Company, formerly Casacruz, has closed down at the present time to repair and recondition its old equipment and to add new U.S. "Amerio" freezing equipment to double the company's capacity from its present 250 metric tons per year to 500 metric tons per year.

Amalgamated is a member of the General Organization for Storage and Silos of the Ministry of Supply.

d. The General Warehouses Company is in the process of adding new freezing equipment and hopes to be able to increase its production to 700 tons in 1964, providing it can get enough raw shrimp to do so.

The Company has purchased two fishing boats and is now in the process of buying two more for the fall shrimp season. The objective is to acquire a company fleet of 15 shrimp boats. (See also Section D).

General Warehouses is a member of the General Organization for Storage and Silos.

e. The U.A.R. government merged the two Port Said shrimp freezing plants, GELEX and DEFREX with the Damietta El Nasr Sardine and Shrimp Canning Company in mid-August, 1963. The general manager of Defrex, Mr. Fouad HEDIEH, and the manager of Gelex, Mr. Aly MUWAFFI, are now associated in a newly merged company called "El Nasr Fish Industries Company".

The two shrimp freezing plants together employ about 90 office staff and 400 day workers. Employment of unskilled day workers varies with the shrimp catch.

The newly merged company is seeking to reduce production costs and improve packaging. The company research laboratory is also studying shrimp breeding and environment in order to determine ideal conditions for increasing raw shrimp production.

f. Government Jurisdiction Over Shrimp Freezing Firms: At present four U.A.R. shrimp freezing companies are members of the General Organization for Foodstuffs Industries and two are members of the General Organization for Storage and Silos.

4. Frozen Shrimp Export Operations:

U.S. domination of the U.A.R. frozen shrimp export market is diminishing. Whereas in 1961-1962 (July 1 - June 31) 80% of all U.A.R. frozen shrimp exports was shipped to the United States, only 66% was shipped to the U.S. in the same period in 1962-1963.

One of the limitations on U.A.R. frozen shrimp exports to the United States is the small amount of frozen storage space available on ships going between the U.A.R. and the United States. At present there are only two ships --one American Export Line and one Japanese-- servicing Alexandria and Port Said with freezer compartments capable of generating temperatures of 15 degrees below zero centigrade which is necessary for shipping frozen shrimp safely to the United States.

(a) Port Said: The Defrex Company manager said that he expects the U.S. market to take a diminishing amount of U.A.R. frozen shrimp in the future. He attributes this trend to (1) the rising standard of living in Europe, which enables Europeans to import better foods; (2) the fact Europeans consume a wider variety of shrimp that cost less to produce than those purchased by U.S. buyers; and (3) the fact the European market is more attractive to U.A.R. exporters because of its "steady prices" as opposed to the "wildly fluctuating prices of the American market. He informed our Consul in Port Said in September that his company has 45 tons of frozen shrimp prepared for U.S. consumption in a Port Said cold storage warehouse. He said he did not plan to ship this shrimp to the United States until the market there improved. If it did not, he intended to re-packaged and divert the shrimp to the growing European market.

Port Said exporters are finding France, Switzerland and Belgium their most important European customers, while in Asia Japan is the major outlet.

(b) Alexandria: Alexandria exporters also report increasing sales to Europe and Japan and decreasing sales to the United States.

Edfina, for example, has shifted its U.S. sales to Europe. In 1961 Edfina sold 75% of its frozen shrimp to the United States and the balance to Europe, mainly France. In 1962 Edfina sold 7% or 21 tons to the United States; 50% or 180 tons to Italy and 30% or 100 tons to France. The balance went to other European customers. So far in 1963, however, Edfina has sold 21 tons to the United States with the prospect for more sales to the United States by the end of the year.

Edfina says Italy takes peeled, cleaned and frozen shrimp, but does not require grading. Shrimp are packed in one kilo plastic bags, France takes shrimp boiled, some peeled, none graded and all shrimp dyed red.

Amalgamated Freezing and Ice Stores Company reports that their export sales are 50% to France and 50% to the United States. By contrast, in 1961 the entire production of the former company --Casacruz-- went to France. The company also sold 30 tons of frozen shrimp to Japan this year.

5. Export Prices

Indicative of prices for U.A.R. frozen shrimp exports to the United States during the current season are the following, which are in

effect between two local exporters and one U.S. importer on a contract fixed price basis:

Type	Number per lb	Price per lb FOB, Alexandria
White, shell on	11/15	97 cents
White, shell on	26/30	84 cents
Tiger/pink, shell on	11/15	90 cents
Tiger/pink, shell on	51/70	52 cents
Tiger/pink, peeled and deveined	16/20	$1.04
Broken Shrimp		52 cents

One Alexandria exporter is selling Japanese importers white shrimp, 8/30 per lb, at an average price of $1.01 a pound, or well over the U.S. price.

6. Domestic Landed Shrimp Prices:

Exporters report that raw shrimp is costing them from 8 to 10% more per ton this year than last year. Domestic average prices are usually worked out with fishermen cooperatives and fishing contractors at the beginning of each season which lasts generally from October to June.

7. Sardine and Shrimp Canning Plant, Damietta

As noted in Section 3 the Damietta "El Nasr Sardine and Shrimp Canning Company" at Ezbet el Borg, is now merged with the Defrex and Gelex Companies of Port Said into a single company under the General Organization for Foodstuffs Industries, Ministry of Industry. It is the one important fish canning company in the U.A.R. and is completely equipped with Japanese machinery.

a. Production: Production figures for the fiscal year 1962-1963 (July 1, 1962 to June 30, 1963) were not completely available to our Consulate in Port Said at this writing. However, the Damietta firm reported that it had produced 2,000,000 cans during the year, principally

125 gram cans of sardines which sold domestically for 5½ piasters (1 piaster equals 2.3 cents) each. The firm reported no shrimp canning production during the fiscal year, despite the fact the factory is equipped for such production.

The company's stated productive capacity is 4,000,000 cans a year: 2,500,000 of sardines and 1,500,000 of shrimp. The stated daily capacity is 9,600 cans of shrimps and 32,000 cans of sardines.

b. Domestic Selling Prices: In addition to the 125 gram cans of sardines which sell for 5½ piasters each, the company also produces 1 kilogram cans of salted sardines which sell for 15 piasters and two kilogram cans which sell for 25 piasters. The company's 150 gram cans of sardines packed in tomato sauce, like in Portugese and Spanish production, sell for 4 piasters each on the Alexandria market.

Fresh sardines, by comparison, sold for 8 piasters a kilogram at the Alexandria fishing port of Abu Kir this summer.

The Consulate in Port Said will submit a full report on the operations of the Damietta canning plant at a later date.

8. Dried, Smoked and Salted Fish Production

Although statistics are unavailable on the total quantities produced by the small U.A.R. dried, smoked and salted fish industry which is made up of many small enterprises, some along the Red Sea, exports of "salted fish, dried or smoked, not specified" totaled 172 metric tons valued at LE 17,961 in 1962. By comparison, imports of salted, dried or smoked fish, including cod, herrings, and sardines totaled 2,798 metric tons valued at LE 200,213 in 1962. (See Section C-Foreign Trade)

The large smoking furnace at Ghardaka (Hurghada) on the Red Sea smokes "horse mackerel" principally for local consumption and the small smoking furnace at Abu Kir, Alexandria, produces varieties of smoked fish for the local market only.

9. New Project:

General Hassan Ragab, President of the General Organization for Aquatic Resources, reports that the Red Sea Fishing Company, with financing from his Organization, has established a Fish Meal and Shark Liver Oil Plant at Ghardaka (Hurghada). Although details are lacking on the present production of this new plant, the original Five Year Plan specifications were that the plant would have a capacity to produce 480 tons of shark liver oil and 750 tons of fish meal per year. The shark liver oil unit is now in operation and the Ministry of Health has placed an annual order of 100 tons of shark liver oil, the General Organization reports.

10. Fish Meal Production:

In addition to the new Ghardaka Fish Meal plant, whose production is not yet known, the Port Said shrimp and fish freezing firm of Defrex also produces fish meal. During the period January 1 - June 30, 1962, the Port Said firm exported fish meal valued at LE 120 and during the period July 1, 1962 - June 30, 1963, exported another LE 265 worth of this product.

C. FOREIGN TRADE 1962

Official UAR foreign trade figures for the year 1962 are not available at this writing, but will be forwarded by the Embassy as soon as they are obtained.

Unofficial figures from the Banque de Port Said, Alexandria, contained in a summary dated April 1963 and released in September, provide an unofficial record of UAR foreign trade in fish products for the year 1962. These figures indicate an increase in exports and a decrease in imports in comparison with official 1961 figures.

a. Exports : The UAR exported 1,633 metric tons of frozen shrimp valued at LE 693,226 and 452 tons of conserved (canned) crustacean products valued at LE 69,225 or a total of 2,085 metric tons of fish products valued at LE 762,451 in calender year 1962. By comparison, in 1961 the UAR exported 1,913 metric tons of fish products valued at LE 563,500.

These UAR fish exports in 1962 represented .004% of total UAR exports.

b. Imports : The UAR imported 1,409 metric tons of fish, molusks and crustaceans in the year 1962, valued at LE 88,211, as compared with a total of 7,599 metric tons, valued at LE 918,972 in 1961, or a 539% drop. UAR fish imports in 1962 represented only .0003% of total UAR imports that year.

The Ministry of Supply placed orders in late September with Yugoslav and Japanese suppliers for 700 tons of fish, principally frozen. The Ministry has discontinued the importation of salted fish, Dr. el Maghraby, Ministry Undersecretary, stated.

Domestic Consumption :

Although the press reports that the UAR consumed 300,000 metric tons of fish in 1962, the Consulate General estimates that somewhere between 117,000 and 139,000 metric tons were actually consumed during the year. This figure takes into consideration the estimated catch of from 118,000-140,000 metric tons, plus 1,409 metric tons of imported fish, minus 2,085 metric tons of exported fish.

It is estimated that the UAR consumes up to 5.2 kilograms of fish per capita per year, but this would amount to only 2.2 kilograms of cleaned fish per capita, General Ragab explains. The population of the UAR is estimated at up to 27,000,000 at the present time.

D. VESSELS AND GEAR

1. Fishing Fleet

The General Organization for Aquatic Resources this year estimated the UAR fishing fleet at 12,685 vessels of which 663 are motorized and 12,022 sailing boats.

Comment : This new estimate closely approximates the United Nations Food and Agricultural Organization (FAO) estimate reported in the Consulate General's 1961 fishing report.

Of this fleet, which includes trawlers, seiners, factory and refrigerator ships, carriers and drifters, approximately 3,000 are used for marine fishing and 10,000 on inland lakes, the Nile and other inland waters.

Some ships are owned by cooperative fishing fleets, others by the fishing companies affiliated with the General Organization for Aquatic Resources, others by a shrimp freezing company and the balance by individual fishermen.

The status of the fleets of the three fishing companies affiliated with the General Organization for Aquatic Resources follows :

a. The Red Sea Fishing Company this year purchased a 25 ton refrigerator ship which joined its Red Sea fleet. With the help of the Cooperative Society for Red Sea Fishermen the company is doubling the number of launches in its fleet and adding motors to many of its present craft.

b. The Misr Fishing Company owns eight fishing vessels with a gross tonnage of 2480 metric tons and a freezing capacity of 132 metric tons. This company's ships, which operate in the Suez Bay and the Red Sea, include a freighter, rescue vessel and seven motorized sailing boats which it purchased from the Italian company which it succeeded in the Red Sea.

This year the Misr company purchased 10 new motor vessels : three built in the UAR and seven built in Soviet Russia. The three locally built craft are powered by 170 horsepower diesel motors and are named the "Ras el Hekma", "Ras el Bar" and "Borg el Arab." The seven ships purchased from the USSR will operate in the Mediterranean between Alexandria and Salloum on the Libyan frontier.

The Misr Company has also placed orders locally for two new fishing boats to be powered with 150 horsepower diesel motors.

c. The new Sponge, Shells and Seaweed Company, Alexandria, which will take over the assets of the old Giza Cotton and Trading Company on January 1, 1964, will operate a sponge fishing fleet out of Mersa Matruh. In 1962 the Giza Cotton and Trading Company operated six ships out of Mersa Matruh and this year is using eight ships.

The Consulate in Port Said reports that this year the UAR Government imported 150 British diesel engines for installation in trawlers operating in the Port Said, Suez and Red Sea areas. These engines are being distributed to cooperatives and individual fishermen by the General Organization for Aquatic Resources and will be amortized at a rate of 2% interest per annum.

As noted in Section B, the General Warehouses Company of Alexandria now owns two shrimp boats, is in the process of buying two more and plans to acquire a fleet of 15 vessels.

2. Fishing Ship Construction and Procurement :

Fishing boats are constructed in harborside shipyards in Alexandria, Port Said, Ismailia, Suez and other ports. Building these craft is technically the responsibility of the Cooperative Production Department of the Ministry of Industry, but the General Organization for Aquatic Resources, (Ministry of Supply) finances the purchase or construction of new boats for fishermen's cooperatives as well as for fishing companies affiliated with that organization, and the various Governorates also order fishing craft for fisherment in their governorates.

The Governor of the Red Sea, Abdel Aziz MOUSTAPHA, has contracted with the UAR Ports and Lights Administration for the construction of fishing boats for the Ghardaka (Red Sea) Fishing Cooperative this year and the Governor of Alexandria, Hamdi ASHOUR, has reportedly borrowed LE 70,000 from the General Organization for Aquatic Resources for purchase of motorized fishing craft for the Alexandria Fishermen's Cooperative, now in the process of formation.

In addition the press reports that the General Organization for Aquatic Resources itself has contracted for the purchase of five large, fully equipped refrigerated ships from Japan and ordered 25 fishing craft to be built in UAR shipyards for use in the Red Sea.

As reported in Embassy's A-96, August 7, 1963, the Alexandria harborside shipyards built seven 150 horsepower diesel powered fishing craft of up to 65 ton gross weight each in 1962.

3. Fishing Gear and Equipment :

The UAR fishing fleet uses seines, traps and long lines, as well as trammel, gill, drift and shonsholla nets, and has begun using kerosene pressure lanterns for night fishing. The number of nylon nets in use is also increasing.

a. Fish net production :

There are two fish net factories in the UAR, the El Nasr Fishing Nets and Canvas Company, established in 1960 in Port Said, and a smaller fish net factory in Alexandria.

The Port Said factory is now producing about 60 tons of cotton nets annually and hopes to increase its 1963-1964 production to almost 100 tons. The country is believed to need at least 80 tons of nets a year, according to a 1958 survey.

The Port Said plant employs 100 workers working on two 12-hour shifts six days a week. They are paid overtime for four hours daily. The factory manager, Mr. Hassan ABDOU, informed our Consul in Port Said that if at the end of the sardine season January 1, 1964, demand for nets continues to be heavy, he will change his work schedule to three eight-hour shifts; if not he will cut the present schedule to two eight-hour shifts.

Mr. Abdou said he hoped to start producing nylon nets because they are stronger, weigh less, absorb less water, dry faster and have a longer life. He said that he can easily add the necessary Japanese equipment to his present factory to produce nylon nets, which must be manufactured in a steam chamber.

At present the entire production of the El Nasr Fishing Nets and Canvas company is being sold to the Port Said Fishermen's Cooperative Society. When and if the company starts nylon net production, Mr. Abdou plans to export surplus supplies.

At present the UAR imports a special chemical from Cyprus made of tree bark to treat cotton fishing nets to prevent them from rotting. Cotton nets must be regularly washed in fresh water and dried to preserve them.

b. Production of Sails :

At present the El Nasr Company's affiliated canvas cloth factory in Port Said which can produce sails is selling 100% of its production to the UAR Army. Mr. Abdou indicated that the factory will soon be able to divert part of its production to sails.

c. Other Equipment :

The President of the General Organization for Aquatic Resources wants all motorized UAR marine fishing craft equipped with echo sound equipment to determine locations of schools of fish. He also is hopeful that the UAR agreement with Japan for the creation of a Fishing Gear Development Center (See J. International Agreements) will result in the development of proper fishing equipment for the UAR fishing fleet.

Although no details on the results of this mission are yet available, two officials of the General Organization for Aquatic Resources - the legal adviser and director of the companies section - went to West Germany, Great Britain and Italy this summer to confer with UAR Embassy Commercial Counselors about the purchase in each of these countries of equipment for the UAR fishing fleet.

E. EMPLOYED IN FISHING INDUSTRY

1. Fishing:

The General Organization for Aquatic Resources estimates that there are 70,581 licensed fishermen manning fishing boats in the UAR at the present time. Included in this total are an estimated 14,000 boy apprentices. Some experts suggest that if one adds the unlicensed fishermen at work part time, the total engaged in fishing in the UAR would reach the 100,000 mark.

2. Fishing Industries:

It is estimated that there are from 200,000 to 230,000 employed in industries allied to or dependent on fishing itself. These are employed in the manufacture of fish products, fishing equipment and boats; in marketing and transporting fish, and in the technical agencies, cooperatives and unions servicing or supporting fishing and the fishing industries.

The General Organization for Aquatic Resources roughly estimates that a grand total of 300,000 are employed in fishing and allied industries and services or 5% of the total UAR labor force of 6,051,000 (Latter figure from National Bank of Egypt Economic Bulletin, Volume XVI, Nos. 1&2, 1963). The Organization estimates further, that these 300,000 in turn support a total of 1,500,000 people, or 5½% of the total population of 27,000,000.

F. IMPORTANCE OF FISHING INDUSTRY TO UAR ECONOMY

Although the UAR fishing industry has been one of the poorest and most undeveloped industries in the United Arab Republic, new impetus and new funds are now being expended to vitalize the industry and increase its importance to the national economy.

a. Importance as a Food Source:

The industry is important as a source of needed protein food for up to 20% of the Egyptian population which increases at the rate of about 3% per annum (Estimates run from 2.8 - 3.5% per annum). The Ministry is therefore increasing the budget of its General Organization for Aquatic Resources annually for this purpose.

The fish processing industry is of importance to the Ministry of Industry, which through its General Organization for Foodstuffs Industries, is pushing the development of fish and shrimp freezing and canning companies.

b. Total Product as Compared to Gross National Product:

No reliable statistics are available on the gross national fishing industry product for the year 1962, but from component figures that are available it is clear that this product is well under 1% of the UAR gross national product of LE 3,079,500,000 for 1962-1963, as stated by Minister of Treasury and Planning Abdel Moneim el KAISSOUNY on September 23, 1963.

The firm statistics on the industry are :

1. Estimated value of fish catch, 1962 : LE 14,160,000 - LE 16,800,000;
2. Value of processed fish exports, 1962 : LE 762,451.

From the latter statistic, of course, must be substracted the original cost of the raw fish to determine the net value of the new product resulting from the processing.

No estimates are available on the total amount invested in the new fishing craft and equipment, in new fish processing machinery or other capital equipment, on the value of processed fish output sold domestically, or on the value of the transport, marketing and government services rendered the fishing industry in 1962. If, however, the latter were estimated at LE 5,000,000 - which is only an educated guess - the gross fisheries product for 1962 would total from LE 20,000,000 to LE 22,000,000, or about .007% of the gross national product, well under 1%.

As an additional observation on the relative importance of the UAR fishing industry, the UAR 1962 fish catch of from 118,000 to 140,000 metric tons represented only .003% of the total estimated 1962 world catch of 41,000,000 metric tons. The UAR catch, nevertheless, provided up to 5.2 gross kilograms of fish per capita of UAR population in 1962.

c. Importance of Foreign Trade: (See Section C)

UAR exports were valued at LE 158,309,842 in 1962,according to the Banque de Port Said, Alexandria, while UAR fishery product exports for the period totaled LE 762,451, or only .004% of the national total.

UAR imports were valued at LE 299,169,449 in 1962 while UAR fish product imports reached LE 88,211 in that year, or only .003% of the total.

d. Importance of Employment:

The total estimated employed in the fish industry --300,000-- represents 5% of the total U.A.R. labor force; and the number supported by the industry --estimated at 1,500,000 -- represents 5½% of the population.

e. Summary:

As of 1962-1963 the U.A.R. fishing industry was an important domestic source of protein food for about 20% of the Egyptian population; the industry's total product was well under 1% of the gross national product; its exports were .004% of total U.A.R. exports in 1962; and the industry was estimated to support -- precariously -- about 5½% of the U.A.R. national population.

G. TECHNICAL DEVELOPMENTS : FISHERIES RESEARCH AND RESOURCES

1. Fisheries Research Institutions :

The principal research organizations for UAR fisheries are the Oceanographic and Fisheries Research Centers in Alexandria and Ghardaka on the Red Sea Coast and the office which coordinates these centers in the Ministry of Scientific Research in Cairo.

The Director of Research Centers, Ministry of Scientific Research, is Dr. Abdel Fattah GOHAR, former professor of oceanography at the University of Cairo. Director General of the Ghardaka Center is Dr. Abdel Rahman KHOLY. Director General of the Alexandria Center is Mr. Ahmed RIFAT. The Alexandria center was previously called the Hydrobiological Institute and was under the Ministry of Agriculture. The Ghardaka Center was under the University of Cairo. Now both have been transferred to the jurisdiction of the Ministry of Scientific Research.

Jurisdiction of the centers is as follows :

Alexandria Center : Mediterranean Sea, Inland lakes and inland water fisheries, including the Nile;

Ghardaka Center : Red Sea.

Jurisdiction over research in the Gulf of Suez is still to be decided, but remains under the Alexandria institute for the present.

The Alexandria center retains control over the Inland Fisheries Institute, Cairo, which has just been moved to a new building at the Nile River Barrage Fish Farm at Kanata. The institute is concerned with fresh water fisheries research. The Alexandria center also supervises field laboratories at the five UAR inland lakes, which engage in both chemical and biological fish research. The center itself engages in research in oceanography, limnology and fishery science.

2. U.S. Technical Assistance to Fisheries Research :

Under a Ford Foundation grant, an American fisheries expert from the University of Washington, Dr. C.J.D.BROWN, who arrived here this month, is scheduled to spend the 1963-1964 year in the United Arab Republic on loan to the Ministry of Scientific Research. He will probably spend up to four months at the Alexandria Oceanographic and Research Center, and divide the balance of his year between the Ministry headquarters in Cairo and the Ghardaka Oceanographic and Research Center on the Red Sea. Dr.Brown previously worked for the U.S. Fisheries and Wildlife Service and visited Latin America on UN FAO Fisheries Missions.

3. Fisheries Training Institutes, Schools :

The Institute of Oceanography of the Univeristy of Alexandria headed by Dr. Anwar Abdel ALEEM, is concerned with training scientists in oceanography at the post-graduate level. Those completing courses at this Institute are subsequently employed by the Oceanographic and Fisheries Research Institutes and the UAR Navy.

The Institute has a faculty of two professors and four lecturers, all with Ph.D degrees in oceanography. It has from 10 to 15 graduate students enrolled and since its founding in 1948 has graduated 45 students.

The Institute has been given land for a new building along the Alexandria water front. Architectural drawings have been completed, but no funds yet allocated by the Ministry of Higher Education to finance construction.

4. Research Extension Plans :

There are plans for strengthening and extending fisheries research in the UAR.

a. The Ministry of Scientific Research is now negotiating with a West German firm for the purchase of a new oceanographic and fisheries research vessel for exploratory and experimental fishing operations in UAR waters involving trawling, purse seining and long-lining. The Ministry specifications call for a vessel with a steel hull, powered by a diesel engine capable of cruising from $3\frac{1}{2}$ to 10 knots, having a displacement of about 300 tons, about 115 feet long.

American, Japanese and West German firms submitted bids for this craft, but the West German bid was lowest, It is understood that LE 250,000 has been allocated for purchase of the ship, which will be used by the Oceanographic and Fisheries Research Centers as well as the University of Alexandria's Institute of Oceanography. Contract for purchase of the craft had not been signed as of October 1.

b. The Alexandria Oceanographic and Fisheries Research Center plans to add new sections and studies to its present research program; is installing and has ordered new laboratory equipment; plans to add new laboratories to be housed in an extension to be constructed adjoining its present building on the Eastern harbor shore.

5. Research Abroad

UAR fishery and oceanography scientists were sent abroad on research trips again in 1962 and 1963.

Dr. Aleem, Institute of Oceanography Director, University of Alexandria, visited the Institute of Oceanography at Biscayne Bay, Florida, in 1962, and early this year lectured before an Oceanography Institute in London on the invitation of the Oceanographer of the U.S. Naval Attache's Office, London.

Dr. Salah el Din el ZARKA, Director, Lake Fisheries, Alexandria Oceanographic and Fisheries Research Center, and Dr. Abdel FATTOUH of the Ghardaka Center, went to Accra,Ghana, in July, 1963, to attend the FAO regional Conference as official UAR observers.

6. Activities of Fish Farms, Breeding Stations and Lake Research Labs :

a. The Lake Maryut Fish Farm Project, publicized profusely during the year, is still under official consideration before the Technical Committee of the General Organization for Aquatic Resources for final approval. It is planned to build the 249 feddan fish farm, which will serve as an experimental fish culture station, at the Moharrem Bey shore of Lake Maryut, not far from the Oceanographic and Fisheries Research Center at Qait Bey. A fund of LE 25,000 is on hand for the project, but considerably more is needed, Mr. Rifat said.

b. The Mex experimental fish farm studies experimental fish foods, experimental fertilizers and conditions best designed for developing and maintaining certain species of fish. This research is then applied to the Oceanographic and Fisheries Research Center fish farms and to the inland lakes of the UAR.

Mullet and solea solea fry are transferred from the Mex experimental fish farm to Lake Karoun, near Fayoum, west of Cairo.

c. The Oceanographic and Fisheries Research Center laboratory at Lake Karoun succeeded in acclimatizing Mediterranean solea solea (sole) fish to the salt water inland lake in 1962 when this lake produced 5000 metric tons of sole, a better rate of production than in the Mediterranean itself. Research continues, to determine how to acclimatize these fish further so that they can breed in Lake Karoun - or "captivity" as the fish researchers put it. At present the small fry must be bred at the Mex experimental fish farm, located on the Mediterranean shore, and transferred to Lake Karoun.

d. The Oceanographic and Fisheries Research Center constructed a 300 acre Fish Farm at Lake Manzalah in the northern Delta this year and began breeding carp and rearing mullet there for planting in the various Delta lakes.

e. The Governor of Kafr el Sheikh, Mohamed Hamdy 'OBEID, informed me that he planned to regulate fishing on Lake Borollos more closely to conserve and increase fish supplies and that he planned to build fish farms along its shores under his Governorate's industrial expansion program.

f. The Oceanographic and Fisheries Research Center is also acclimatizing Japanese mirror carp to UAR inland waters at the Nile River Barrage Fish Farm at Kanata, near Cairo. The carp were sent to the UAR by a Japanese hydrobiologist who served as a technical consultant here last year. Mirror carp are very delicate, UAR experts report, and die easily ; hence the current experiments are designed to determine if this species can adapt to life in UAR waters.

g. The natural fish "farms" (breeding grounds) provided by the basin irrigation system along the Nile in Upper Egypt will be destroyed when the Aswan High Dam is completed in 1968, Mr. Rifat reports. These basins serve as natural nursery grounds for Nile River fish fry for a period of two to three months each fall. The fish grow from 7 to 8 centimeters in these basins and then go down the Nile as the river floods submerge and the basins empty in November and December.

h. The Alexandria Oceanographic and Fisheries Research Center river craft, the "El Nasr," is now operating on the Nile from Aswan to the Sudanese border. The Center hopes that its scientists will be able to acquire knowledge of the types of fish, their habits, and prospects for fishing in Lake Nasr by the time the High Dam is completed and the lake is fully formed in 1968.

The new lake, which will cover 5,000,000 feddans behind the Aswan Dam when filled, will produce up to 50,000 metric tons of fish, some experts estimate, thus making up for the fish which will be lost on the Nile River from the elimination of basin irrigation.

i. New fish farms planned :

When the eastern lagoon of Mersa Matruh, which covers 1200 feddans, is opened to the harbor and the sea in November this year, it will become a fish hatchery. It is estimated that the lagoon, properly cared for by fishery experts, can produce up to 800 metric tons of fish annually.

A new fish farm is also planned for completion in 1964 in the lagoon near the famous El Alamein battlefield, General Ragab reports.

7. Marine Research

The Alexandria Oceanographic and Fisheries Research Center marine craft, the "Faras el Bahr," has been experimenting in the Mediterranean recently with new types of trawler nets for shrimp and general fishing. Scientists tried the nets from both sides of the boat rather than from the stern alone, seeking to develop one kind of net for shrimp fishing and another kind for general fishing.

The "Faras el Bahr" also tested other types of fishing equipment in a recent run between Alexandria and Damietta, including electronic

sound and radar equipment, fish paralyzers, lights and so on. One new instrument was used to determine water depths electronically and samples of water were taken at varying depths to determine the marine fauna present. The craft brought back two tons of fish of various types caught during this cruise. Included in this catch, according to press reports, were a variety of blue colored shrimp.

Particular emphasis was placed on exploring for new shrimp and sponge beds in research during the past year. Although sponge beds have been found between Alexandria and Port Said, their quality cannot compare with that found between Mersa Matrun and Sallowm and no changes have been suggested in the present locale of commercial sponge fishing.

Shrimp are found in the Gulf of Suez and the Red Sea, with the Gulf the richer in supplies. It is also found easier to fish for shrimp in the Gulf because the bottom is sandy and does not cut the nets. Trawler net fishing for shrimp in the Red Sea is difficult because the bottom is rocky and covered with coral, which cuts the nets. The Red Sea research center is searching for sandy shrimp beds in the Red Sea to assist commercial fishermen..

Shoals of scombrids (tuna) and sardine were found in the Red Sea last year. The Red Sea Fishing Company, an affiliate of the General Organization for Aquatic Resources, is charged with exploiting these newly discovered shoals. Accurate estimates of supplies have not yet been made.

8. Problem of Industrial Pollution

The technical Committee of the General Organization for Aquatic Resources is studying the problem of industrial pollution caused by the Rakta paper mill (Tabia) waste running into fisheries in the Abou Kir Bay and by the waste from the Misr Chemical Plant in Mex running into the Mediterranean. In both cases the technical committee believes that the solution lies in placing pipes carrying the waste farther out to sea so that the deeper waters can more readily absorb the waste without injuring the fish. The industrial waste flowing from the Rakta paper plant pollutes a strip of water reaching almost 2 kilometers out to sea in the Abu Kir Bay.

The Misr Chemical company is already extending its waste pipes farther out to sea, but the Rakta plant hopes to eliminate its problem by making fuller use of its own waste in a new paper board mill to be completed on its present site by the summer of 1966.

9. Effect of High Dam on Nile Water Stagnation

The Ministry of Scientific Research, Industrial Medical Research section, is now studying the potential effects of the High Dam on stagnation of water in Lake Nasr and the subsequent changes this will make in the chemical and biological content of the water running down the Nile from Aswan to the sea. This research will, of course, prove invaluable for fishery scientists as well.

H. MARKETING DEVELOPMENTS

1. Cooperative and Private Marketing:

Fish marketing in the United Arab Republic is still largely in the hands of private fish brokers, although the Ministry of Supply is stepping more and more into the marketing, and the trend toward widescale cooperative marketing is clear in accordance with the national socialist-cooperative policy. All fish sold in the U.A.R. domestic market are sold uncleaned.

At present the ports of Port Said and Suez alone have cooperative marketing of fish caught by the cooperative fishing fleets operating out of those ports.

Port Said marketing is handled by the Port Said Fishermen's Cooperative Society which constructed the new fishing port within the Port Said harbor in 1961, and which utilizes about 100 trawlers, each employing between 10 and 18 persons.

The Alexandria Governorate recently began a study of a plan for cooperative marketing of fish in this governorate, but has not yet instituted such a program. Currently fish is marketed through regular fish markets at Mex, Anfouchy and Abu Kir and through local fish merchants and normal retail outlets including the city's and Ministry of Supply's cooperative food stores. The Mex fish market sells fish from Lake Maryut. Anfouchy and Abu Kir sell Mediterranean fish.

Damietta markets its fish in the same manner as Alexandria, but will also be considering cooperative marketing shortly, according to reports.

Red Sea fish are being marketed partly by government cooperatives and partly by private fishermen.

The Lake Karoun Cooperative sold its 1963 catch at Fayoum and Cairo for 25% below market prices and still managed to provide profitable returns to fishermen, government spokesmen reported in September. The cooperative charged 5 milliemes for each kilogram of fish landed by its fishermen and thereby accumulated a sum of LE 4000 which it will use to finance fishermen to abstain from fishing during the four months when the fish spawn. In addition the cooperative supplied its fishermen with new equipment and funds for maintenance of their boats, organized marketing of fish throughout the year, and provided financial assistance to fishermen in debt.

The General Organization for Aquatic Resources reports that since its founding 1961, it has loaned cooperative societies-fishermen, fishing boat, fishermen's insurance, fish boat building and fish marketing cooperatives-about LE 4,000,000.

The General Organization states there are now two fish marketing cooperatives, 50 fishermen's cooperatives and 10 fishing boat, fishing insurance and boat building cooperatives in the U.A.R.

2. Cold Storage Facilities:

Although the need for more cold storage facilities for fish is not considered pressing because of the rapid sale of fish in the U.A.R., storage space is nevertheless available at Port Said at the Wells and GERCO storage companies; at Alexandria at the General Warehouses Company; at Suez and at Ghardaka. Extension of cold storage facilities is most urgent along the Red Sea because of the extreme heat and lack of regular truck communications with the main population centers.

The General Organization for Storage and Silos plans to build additional cold storage facilities at Cairo, Alexandria and on the Red Sea under its long term expansion program.

I. GOVERNMENT ACTIVITIES AND POLICIES: 1962-1963

As stated in the 1962 Fisheries Report, the U.A.R. Ministries principally concerned with developing and administering the U.A.R. fishing industry are: Supply, War, Industry, Economy, Finance, and Scientific Research.

The United Nations Food and Agricultural Organization (FAO) Regional Fisheries Office for the Near East continues to be headquartered in Cairo and is engaged in projects to promote fisheries development throughout the area. Reports on its operations are submitted to the FAO, Rome.

1. Activities of the General Organization for Aquatic Resources:

The General Organization for Aquatic Resources, which was established by presidential decree in May, 1961, and placed under the Ministry of Supply in 1962, remains under the presidency and direction of General Hassan RAGAB, and continues to be the government's principal instrument for the promotion and exploitation of U.A.R. sea, lake and inland water fishery resources.

During the last year new field offices were consolidated and staff members trained in the purposes and operating procedures of the new organization, General Ragab reported.

The General Organization states there are now two fish marketing cooperatives, 50 fishermen's cooperatives and 10 fishing boat, fishing insurance and boat building cooperatives in the U.A.R.

2. Cold Storage Facilities:

Although the need for more cold storage facilities for fish is not considered pressing because of the rapid sale of fish in the U.A.R., storage space is nevertheless available at Port Said at the Wells and GERCO storage companies; at Alexandria at the General Warehouses Company; at Suez and at Ghardaka. Extension of cold storage facilities is most urgent along the Red Sea because of the extreme heat and lack of regular truck communications with the main population centers.

The General Organization for Storage and Silos plans to build additional cold storage facilities at Cairo, Alexandria and on the Red Sea under its long term expansion program.

Following are summaries of operations of two of the established companies of the General Organization, the Red Sea and Misr Fishing Companies, not already covered in other sections of this report:

(1) Red Sea Company: This company's fleet, which bases at Ghardaka on the Red Sea, has been catching from 60 to 100 tons per month during the "Sheour" fishing season, utilizing "Shonshilla" nets and has collaborated with Greek fishing boats on the basis of sharing the catch during the last year.

The company:

(a) Recently opened a fishermen training school and its own fisheries research center and engaged Japanese and Yugoslav experts to study possible improvements in fishing methods and to train its personnel;

(b) Marketed its catch mainly in Cairo, but received increasing demands from such Upper Egyptian cities as Minya, Sohag, Assiut, Luxor and Aswan;

(c) Purchased a fleet of refrigerated trucks to transport its catch from Ghardaka to consumer markets and sold a small quantity of its catch to Lebanon.

(d) Experimented in smoking, salting and drying different varieties of Red Sea fish.

(2) Misr Fishing Company: Founded in 1927, this is the oldest fishing company in the U.A.R., and concentrates its operations in the Gulf of Suez and the Red Sea.

The company:

(a) Installed freezing units along the Gulf of Suez, from which freighters transport the catch to Suez;

(b) Operated four refrigerated trucks to carry fish from Suez to Cairo and made arrangements with the U.A.R. Railways to transport part of its catch on special refrigerated freight cars;

(c) Established an ice factory with 55 metric tons of frozen storage space at Port Tewfik, near Suez;

(d) Operated its own ship repair shop at Port Tewfik and maintained its own fishermen training school.

2. Fishermen Training:

General Raghab said that he had asked for LE 250,000 in the 1963-1964 U.A.R. national budget for his organization to train fishermen. The government cut his request to LE 3000. However, he said he was now asking the Ministry of Education to make allotments for technical training of fishermen at the primary and pre-secondary school level. He favors the following training program, which he regards is essential for the development of U.A.R. fishing:

1. Training sponge divers, master fishermen and boat mechanics or engineers;

2. Training fish farmers and pond workers, this training to begin upon completion of primary schooling and continue through secondary school;

3. Advanced training of the first group into boat captains, to be awarded certificates. General Ragab hopes to establish a policy that no fishing boat captain can operate without a captain's certificate. He said this plan would probably take 10 years to realize, that at present most fishing boat captains can't read or write, let alone pass an examination in navigation;

4. Training marine biologists to assist the General Organization for Aquatic Resources; and

5. Higher training of group two above into "masters of fishing ponds" to serve as technical supervisors of fish farmers and pond workers.

Dr. Aleem of the University of Alexandria Institute of Oceanography advocates that the Ministry of Education establish a Fisheries Technical (High) School in Alexandria for youths from 14 to 18. These students would enter this school upon completion of their primary education and would be given full technical training in fisheries while completing other general high school courses.

3. Improvement of U.A.R. Fishing Ports

Admiral Youssef HAMMAD, Director General of the U.A.R. Ports and Lights Administration, reports that fishing ports will be improved, expanded or built at the following sites under the Five Year Program: Alexandria, Mersa Matruh, Rosetta and Damietta on the Mediterranean and El Arish, Ghardaka (Hurghada), Safaga, Ras Banas, Berenice and Quseir on the Red Sea.

Projects highest on the list for action are Alexandria and Damietta, and improvements will be completed in November at Mersa Matruh.

Following are comments on the two major projects:

Alexandria: LE 400,000 has been allocated by the Governorate of Alexandria for construction of a complete new fishing port in cooperation with the General Organization for Aquatic Resources and the Ports and Lights Administration. (See Embassy's A-96, August 7, 1963). In addition to the Governorate's allotment, additional government funds will be provided for this project. Two sites are currently under intensive study: Anfouchy and Abu Kir, with the latter site favored by the Ports and Lights Administration and the former site favored by the General Organization for Aquatic Resources. The Consulate General supplied the Ports and Lights Administration with a large collection of plans and photos of U.S. fishing ports forwarded on request by the U.S. Maritime Administration and the Department of Commerce, illustrating the use of American equipment which is available for purchase. Admiral Hammad informed the Consulate General that his engineers had made great use of these plans and photos in drawing up their project for a fishing port at Abu Kir. We are following up to see whether this project cannot be used to promote exports of American equipment and machinery.

Mersa Matruh: A channel is being cut from the main harbor to the Eastern lagoon, which will improve fishing and make possible creation of a fish hatchery in that lagoon. Target date for completion of the project, which is costing LE 20,000, is November, 1963.

Damietta: The General Organization for the Five Year Plan intends to build a complete new general cargo and fishing port at Damietta. International invitations to bid on this project, for which from LE 7,000,000 to LE 8,000,000 has been set aside, have been extended to international construction companies experienced in port construction. It is not yet finally determined whether the port will be built on the Mediterranean or Nile river side of Damietta. The U.A.R. government originally hoped to complete this project by the end of 1965, but experts now believe this is impossible. Bids have been submitted by U.S. firms, but no contracts have yet been let.

J. International Fishing Agreements

The UAR now has two active international fishing agreements--with Greece and Holland--and is working out new agreements with Japan and the USSR. Three old agreements with Italy, Yugoslavia and Poland are currently dormant, General RAGAB, President of the General Organization for Aquatic Resources, said.

1. General Ragab had the following comments on the active fishing agreements:

a. UAR-Greece: The cooperation of Greek fishermen with UAR fishermen in the sponge fishing field has been excellent, but the UAR government seeks to eliminate all foreign fishing in UAR waters and the agreement with Greece will continue only until enough UAR fishermen can be trained and enough equipment can be obtained to do the job alone. The contract, signed with the Greek Ministry of Industry, Division of Industries, in 1962, for eight years, is considered as subject to cancellation annually, General Ragab stressed. (See Section A, Sponge Fishing)

b. UAR-Holland: This contract, with the Dutch KOKH interests for cooperative fishing of eels has been working, but the 1962 season at Lake Edko was not as successful as the UAR sponsors had hoped. The Dutch disposed of the 1962 catch either in Marseilles or Amsterdam. (See Section A, Eel fishing)

2. General Ragab had the following comments on the two agreements in the process of being worked out:

a. UAR-Japan: This year the Japanese agreed to make up to $10,000,000 available for development of a UAR gear development center. The UAR will share expenses of this development on a 50-50 basis. The purpose of the new research center will be to determine what fishing equipment the UAR actually needs. Final details of this agreement have not yet been fully ironed out.

b. UAR-USSR: The USSR this year provided the UAR with 11 motorized fishing craft, five of which were taken to Mersa Matruh for use. A draft fishing agreement is also under study in Cairo, but has been neither approved or signed by either government.

3. Dormant Agreements: In response to questions, General Ragab confirmed that the 1961 UAR-Yugoslavia and 1961 UAR Polish agreements were dormant. He said that the UAR-Italy agreement of 1961--an agreement with "Genepesca" of Genoa--was also dormant and not likely to be renewed because it called for Genepesca, all-Italian fishing fleets to fish in UAR waters and share their catch with the UAR. Nothing less than 50-50 participation in fishing operations is even temporarily acceptable to the UAR today, General Ragab said.

4. Other Agreements under Consideration :

During the year the press carried reports of UAR collaboration with Japan, Somalia, Yemen, Kuwait and the Sudan in fishing operations.

a. In response to questions General Ragab said that allocations for projected UAR-Sudan and UAR-Yemen fishing companies were included in his budget for 1963-1964, but that no action had yet been taken to implement the projects.

b. He said, further, that the plans for UAR-Japanese and UAR-Kuwait fishing companies were only in the talk stage, that no allocations had been set aside in the budget and no actions had yet been taken to implement the proposals.

c. Early in 1963 a team of three officials from the General Organization for Aquatic Resources went to Somalia to study fishing and fish salting projects. Although no reports on the results of this visit are available, Alexandria fishing circles say there are good prospects for UAR-Somalia collaboration in fishing projects.

CONCLUSIONS

As in 1961, fishing experts are still generally agreed that UAR fisheries need :-

1. More marine research to discover new fish resources;

2. A larger motorized and well-equipped fishing fleet capable of fishing in deep waters and able to remain at sea for prolonged periods;

3. More fish culture to stock lakes, streams and even the Mediterranean itself;

4. More trained fishermen capable of utlizing modern equipment and landing a larger catch;

5. More and improved fishing ports, especially in the Red Sea;

6. Augmented cold storage facilities and refrigerated land transportation; and

7. Increased fish processing facilities and production.

APPENDIX I - SOURCES

A. UAR Sources

1. "Al Ahram," Cairo, UAR, June 29, 1963 (Special Supplement)

2. General Hassan RAGAB, President, General Organization for Aquatic Resources, Cairo,

3. Mr. Ahmed RIFAT, Director General, Oceanographic and Fisheries Research Center, Alexandria,

4. Mr. Gamil el HERMIL, Director, Alexandria Office, General Organization for Aquatic Resources,

5. Dr. Anwar Abdel ALEEM, Director, Institute of Oceanography, Univerity of Alexandria,

6. Dr. Hadi el MAGHRABY, Undersecretary of State, Ministry of Supply, Cairo,

7. Mr. Kamal BADAWI, President, Alexandria Chamber of Commerce,

8. Mr. Omar TARRAF, President, Edfina Company, Alexandria,

9. Mr. Aziz DARWICHE, Manager, Amalgamated Freezing and Ice Stores Company, Alexandria,

10. Mr. Mohamed AHMED, President, General Warehouses Company, Alexandria,

11. Mr. Aziz ELAWI, Alexandria fisherman, retired industrialist,

12. Admiral Youssef HAMMAD, Director General, Ports and Lights Administration.

B. U.S. Sources

1. Mr. Edward H. SPRINGER, American Consul, Port Said,

2. Victor MASSAD, Commercial Assistant, American Consulate General, Alexandria.

78031